Office-Supreme Court,
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CHARLES ELMORE CR
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1951

No. 150

THE EASTERN VENETIAN BLIND COMPANY,

Petitioner,

vs.

ACME STEEL COMPANY,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT AND BRIEF IN SUPPORT THEREOF

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THE EASTERN VENETIAN BLIND COMPANY,

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vs.

ACME STEEL COMPANY,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Petitioner, The Eastern Venetian Blind Company, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fourth Circuit, dated April 5, 1951, in so far as the same holds that respondent, by minor verbal changes in its patent licenses, had purged a misuse of its patents, which it had engaged in for years to gain a monopoly and restrain competition in unpatented materials, and in so far as the same holds Wilson patent No. 2,338,678 valid.

Summary and Short Statement of Matters Involved

On December 8, 1948, respondent filed this action in the District Court for the District of Maryland, charging petitioner with infringement of four patents. One of these (Wilson No. 2,294,434) claims the steps of a two stage method and the elements of a two stage apparatus

for making metal venetian blind slats. Also, one method claim is addressed to a specific first stage operation, although the product of that first stage, called "slat stock," is not patented. One claim covers a particular second stage apparatus. Hunter No. 2,337,047 relates to an alternative first stage method and apparatus. Wilson No. 2,338,678 relates to methods and apparatus for correcting non-uniformity of curvature of the slats of No. 2,294,434. Morse No. 2,315,640, which was held invalid below, covered the finished slats. Petitioner defended on the grounds, among others, that the patents were invalid and that the patents were unenforceable because of respondent's misuse of them to restrain competition in unpatented slat stock.

The District Court held that the four patents were valid and infringed and that the misuse defense, based on respondent's approximately 400 outstanding licenses, was not sustainable, but, nevertheless, required respondent to make certain verbal changes therein before granting injunctive relief (R. II: pp. 630-631). Those changes were made after the judgment and on June 9, 1950 (R. II: pp. 636-644).

On appeal to the Court of Appeals, that Court reversed in part and affirmed in part, holding (R. IV: p. 961):

> "The decree of the District Court is affirmed in so far as it holds the First Wilson patent, the Hunter patent and the second Wilson patent to be valid and infringed and in so far as it holds Acme to be entitled to an injunction against future infringement of these three patents by Eastern. The District Court's decree must be reversed in so far as it holds the Morse patent valid and in so far as it holds Acme entitled to damages for the infringement, up to the date of the complete purge, June 9, 1950, by Eastern of the three patents which we have held to be valid and infringed by Eastern."

Questions Presented

1. Respondent owns a patent relating to a two stage method and apparatus for manufacturing venetian blind slats. Respondent and one licensee practice the first stage producing unpatented slat stock. Respondent licensed about 400 blind manufacturers to practice only the second stage. Respondent's original licenses expressly compelled the licensees to buy the unpatented material used from respondent or its lone first stage licensee. Later, this express covenant was eliminated but the compulsion on the licensees was maintained by a limitation permitting the use only of unpatented material which had been subjected to respondent's first stage and by coercive cancellation and acknowledgment of validity clauses. Pursuant to the District Court's judgment, respondent thereafter made *verbal* changes in these licenses, removing certain suggestive clauses as to the source of the material to be used, which did not eliminate the limitations just stated or curtail respondent's coercive penalty powers over the licensees' purchases and which effectively left respondent and the first stage licensee as the sole sources of supply of the unpatented material. Does such a patent licensing system constitute such misuse by respondent of its patents as to bar respondent from enforcing them in this action?

2. On the facts stated in Question 1, and in the absence of any further showing by respondent of abandonment of its misuse, and with no showing of the dissipation of the effects of its misuse, is respondent entitled to enforce its patents?

3. On the facts stated in Question 1, does the making of these verbal changes constitute such a purging of re-

spondent's misuse of its patents as to entitle it to relief in this action?*

4. Wilson No. 2,338,678 discloses a specific apparatus and a specific flattening operation intended to be used to make uniform the transverse curvature of metal blind slats made according to Wilson No. 2,294,434. The Court held patent No. 2,338,678 valid, but it did not consider or decide the scope or the individual validity of its claims, which range in breadth from coverage of the combination of one or both of the steps of No. 2,294,434 with the flattening step of No. 2,338,678 to coverage, by itself, of the simple flattening step, although this flattening step is fully disclosed but not claimed in the prior art. Was this error?

Reasons Relied Upon for the Allowance of the Writ

1. The decision below, holding respondent entitled to enforce its patents after the June 9, 1950 revision of its licenses, is in conflict with the line of decisions of this Court represented by *Carbice Corp.* v. *Am. Patents Corp.*, 283 U. S. 27 and *Mercoid Corp.* v. *Mid-Continent Co.*, 320 U. S. 661.

2. The decision below, holding that the second stage licenses, as modified June 9, 1950, do not constitute a misuse of respondent's patents, is in conflict with the decision of the Court of Appeals for the Third Circuit in *National Lockwasher Co.* v. *George K. Garrett Co.* (1943), 137 F. 2d 255, c. d., 305 U. S. 649, and the decision of the Court of Appeals for the Ninth Circuit in *McCullough* v. *Kammerer Corporation* (1948), 166 F. 2d 759, c. d., 335 U. S. 813.

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* Since the decision of this Court in the *Carbice* case, 283 U. S. 27, the question of patent misuse has been presented in at least 85 reported cases in the District Courts and the Courts of Appeal in the United States. At least 17 of the decisions therein have been concerned with whether the misuse has or has not been purged.

3. The decision below, with respect to the purging of the misuse, entirely ignores one of the conditions which this Court, in *Morton Salt Co.* v. *Suppiger Co.*, 314 U. S. 488 and *B. B. Chemical Co.* v. *Ellis*, 314 U. S. 495, said was essential to re-entitle a patent owner, which has misused its patents, to enforce them: namely, a showing by the patent owner that the consequences of its misuse "have been fully dissipated."

4. The decision below, holding that a mere verbal revision of respondent's licenses on June 9, 1950—after the entry of judgment and without other showing—constitutes a purging of respondent's misuse of patents entitling it to relief in this action, decides an important question of Federal law which has not been, but which should be, settled by this Court.

5. The decision below, holding that Wilson patent No. 2,338,678 "appears to us to be a valid patent" (R. IV: p. 954), without consideration of its claims, is in direct conflict with the decision of this Court in *Altoona Theatres* v. *Tri-Ergon Corp.*, 294 U. S. 477, holding that each claim of a patent must stand or fall independently of the others.

WHEREFORE, petitioner prays that this petition for a writ of certiorari to the United States Court of Appeals for the Fourth Circuit be granted.

Respectfully submitted,

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New York, N. Y.,
June 26, 1951.

BRIEF IN SUPPORT OF PETITION

Opinions Below

The opinion of the District Court (R. II: pp. 619-631) is reported at 93 F. Supp. 233. The opinion of the Court of Appeals (R. IV: pp. 950-961) is reported at 188 F. 2d 247 and 89 U. S. P. Q. 93.

Jurisdiction

The original judgment of the Court of Appeals was entered on April 5, 1951. Its judgment denying petitions for rehearing filed by both parties* was entered May 11, 1951. The jurisdiction of this Court is invoked under 28 U. S. C. A. § 1254(a).

Statement of the Case

Misuse of the Patents

The misuse defense is based on practices of Acme built around the methods and apparatus claimed in Wilson '434. That patent (R. III: pp. 645-651) describes and claims a two stage process and apparatus for making metal venetian blind slats. It also contains one claim to a specific first stage method. In the first stage, the metal strip is stretched longitudinally between the edges, and, in the second, the edges are stretched and the strip curved transversely. Acme attempted unsuccessfully to patent the product of the first stage. This unpatented material is called "slat stock" (R. III: p. 888). It can be made by various processes (R. I: pp. 153-154, 172-173).

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* In this brief, Petitioner is referred to as Eastern; Respondent, as Acme, and parentheses and italics within quotes are ours unless the contrary is indicated. The record, which consists of four volumes, will be referred to as (R. I: p. 1).

Acme is a manufacturer of steel strip. It was not interested in manufacturing and selling venetian blinds but *was* interested in manufacturing and selling unpatented slat stock to be made into slats for blinds.

In 1944 Acme granted Thomas Steel Company (hereinafter called "Thomas") a license to practice the first stage of the process of Wilson '434 and of Hunter in the production of unpatented "slat stock." This license contained a covenant that Thomas would sell the unpatented slat stock *only* to Acme's second stage licensees* (Deft's Ex. NNN; R. III: pp. 878-880).

Also, in 1944, Acme granted licenses to a number of blind manufacturers to practice the second stage of Wilson '434. But these licensees were not allowed to use *any* steel strip: they were limited to the use of slat stock produced by the practice of the first stage, and were required by express covenant to purchase this either from Acme or from Thomas (Deft's Ex. RRR; R. III: pp. 887-889).

On July 1, 1948, Acme modified its second stage licenses by omitting the *express* covenant that the licensees purchase from Acme or Thomas the licensees' entire requirements of unpatented slat stock. The revised licenses, however, were expressly limited to the practice of the second stage "with the use of said slat stock produced by the practice of the first stage of said process," *i.e.*, Acme's first stage covered by certain claims of Wilson '434 and by Hunter. Also they retained recitals that Acme and Thomas were producing and selling slat stock to licensees authorized to practice the second stage, and that the

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* Acme granted two other first stage licenses (R. II: pp. 383-384, 392-393), but during the entire period in issue, Thomas has been Acme's *only* licensee making slat stock (R. I: p. 151). Acme also licensed an apparatus manufacturer (R. III: pp. 887-891) and entered into several licenses (R. III: pp. 869-877) as incidents to the acquisition of the Hunter and Morse patents. All contained restrictive covenants.

licensee "desires to purchase from Licensor [Acme], or from said First Stage Licensees [Thomas], 'slat stock' for use in said manufacture by it"; and that Acme was willing to supply "said slat stock" on certain terms and conditions. The licensee acknowledged the validity of the patents (including Wilson '678 to which the license does not extend) and Acme retained the absolute right to cancel the agreement for any reason or for no reason at all on ninety days' notice (Deft's Ex. TTT; R. III: pp. 893-898).

On December 1, 1948, just prior to the filing of this action, the Thomas agreement was modified in a generally similar manner (Deft's Ex. PPP; R. III: pp. 884-887).

The elimination of the *express* covenants was pure window dressing, as is shown by the fact that on May 16, 1949—almost a year after the first revision—Acme, in a license to an apparatus manufacturer, stated that it "has licensed others, who are known as 'second stage licensees,' to practice the second stage of said process in producing Venetian blind slats with the use of 'slat stock' *purchased from Acme and said first stage licensees*" (R. III: pp. 903-904). And Wilson, Acme's vice-president and the patentee of two of the patents in suit, testified on May 31st and June 1st, *1949*, that the "major portion" of the second stage licensees purchased from Acme and that by the "major portion" he meant at least ninety per cent. of all of them (R. II: p. 400). He also stated that Thomas sold considerable tonnage of the unpatented slat stock to the second stage licensees (R. II: p. 400). Both sold only to such licensees (R. II: pp. 380, 417).

The District Court held that Acme's revised licenses did not constitute misuse of its patents (R. II: pp. 630-631) but the Court of Appeals held that *both the original licensing set-up and the 1948 revision constituted a misuse* (R. IV: pp. 959-961).

Notwithstanding the holding of the District Court that there was no misuse, that Court required that the revised

second stage licenses be further revised (R. II: pp. 631-635). Pursuant to that judgment, on June 9, 1950, Acme cancelled its 400 existing second stage licenses and granted new, modified licenses to those licensees (R. II: pp. 636-644).

These revised licenses (R. II: pp. 640-644) still contain the restriction that the licensees can practice the second stage *only on slat stock which has been subjected to Acme's first stage.* And they still contain provisions coercive of the second stage licensees. Under these provisions the second stage licensees are required to notify Acme of any infringement of any patent referred to in the license; they are compelled to acknowledge the validity of those patents, including some under which they are not licensed; and Acme retains the absolute and arbitrary right of cancellation (R. II: pp. 640-644).

The effect of these licenses is to continue the requirement that the second stage licensees buy unpatented slat stock from Acme or Thomas.

It is pertinent, as the Court of Appeals noted (R. IV: p. 957), that during the period here in issue Acme derived only $30,000. in royalties from all of its approximately 400 second stage licensees, whereas, during the same period, Acme and Thomas sold them unpatented slat stock of a value of $30,000,000.

The Court of Appeals held that the change ordered by the District Court purged the licenses of the objectionable restrictions and that damages were recoverable after June 9, 1950, the date of the asserted completion of the purge (R. IV: pp. 960-961). But Acme has not proved—and, since the change had not occurred until after the judgment of the District Court, could not have proved—that it has fully abandoned its method of restraining competition in the sale of unpatented slat stock, and that the consequences of those practices have been fully dissipated.

Wilson '678

The validity of this patent was sustained by both the District Court and the Court of Appeals. It relates to a so-called third stage *per se* and to the combination of this third stage with the first and second stages or the second stage of Wilson '434. As disclosed, this third step consists in passing the strip beneath an idler roll, after which it is "flexed and looped upwardly" over an intermediate idler, thence downwardly between a pair of rolls "so spaced that they flatten out the metal strip," after which it passes to the cutter (R. III: p. 668).

Both the District Court and the Court of Appeals, without reference to the claims, and particularly without reference to those claims which cover the third step so broadly that *any* tranverse bending and flattening of a strip is an infringement, held the patent valid on the theory that it constituted invention to add this third step to the two separate and distinct steps of Wilson '434. The Courts below failed to recognize the admitted fact that the Morse patent (which is prior art against Wilson '678) shows a transverse bending step which similarly flattens. In effect, they held an old operation to be invention simply because a result hitherto unappreciated was recognized.

Argument

1. Acme's Present Licensing Structure, as Modified by the District Court, Constitutes Misuse of Its Patents.

Acme's original licensing program, by express covenant, required the 400 odd licensees to buy their requirements of unpatented material from Acme or from Thomas. The Court of Appeals, in full accord with the decisions of this Court, held this to be a misuse.

Acme, anticipating this holding, in June, 1948, revised its licenses to remove the express requirement that its licensees buy unpatented slat stock only from Acme or from Thomas, but the record here shows that the change did not affect the substance; that the revised licenses were limited to the use of slat stock made only by Acme's first stage method; that those revised licenses retained provisions coercive of the licensees; and that the licensees still bought the unpatented material from Acme or Thomas. And, again, the Court of Appeals held this to be a misuse.

But the District Court, which had held that Acme had not misused its patents, required *two minor changes* in Acme's 400 licenses. Following the judgment, and on June 9, 1950, Acme advised the Court that this revision had been made. The Court of Appeals held that this revision constituted a full purge and re-entitled Acme to enforce its patents. And this holding was made without regard to the facts—

(a) that the new licenses, which cost the old licensees nothing in royalties, retained every limitation and coercive provision of the licenses which had been held bad, and

(b) that there is not—and, since the change came after the decree and is attested to only by an affidavit, there could not be—a word in this record to indicate either that Acme has abandoned its intention to monopolize and restrain competition in unpatented slat stock or that the effects of Acme's misuse have been dissipated.

This holding, it is submitted, is in direct conflict with the rulings of this Court in the following cases:

Carbice Corp. v. *Am. Patents Corp.*, 283 U. S. 27, 31;
International Machines Corp. v. *U. S.*, 298 U. S. 131, 136-137;
Leitch Mfg. Co. v. *Barber Co.*, 302 U. S. 458, 463;

Ethyl Gasoline Corp. v. *U. S.*, 309 U. S. 436, 456, 459;
Morton Salt Co. v. *Suppiger Co.*, 314 U. S. 488, 490-493;
B. B. Chemical Co. v. *Ellis*, 314 U. S. 495, 497;
Mercoid Corp. v. *Mid-Continent Co.*, 320 U. S. 661, 666-667;
Mercoid Corp. v. *Honeywell Co.*, 320 U. S. 680, 684;
International Salt Co. v. *U. S.*, 332 U. S. 392, 395-396;
U. S. v. *Univis Lens Co.*, 316 U. S. 241.

Acme has been held to have misused its patents with respect to its original licensing set-up and with respect to that set-up as revised in 1948.

It has now altered one "Whereas" clause by omitting the recitation that the licensee "also desires to purchase from Licensor, or from said First Stage Licensees, 'slat stock' for use in said manufacture by it" (compare R. III: p. 895 and R. II: p. 641), and has deleted the word "said," qualifying "slat stock," in paragraph 1 of the offending licenses (compare R. III: p. 895 and R. II: p. 642). But it has not changed the substance and has not proved that it has altered its intent any more than it altered its intent by the modifications of 1948. And, despite the trivial verbal changes in the licenses, it still retains all of the power to coerce its licensees which it had under the 1948 licenses. Thus, the June 1950 licenses still confront the licensees with the recitation that licensee desires to practice the second stage "with the use of slat stock produced by the practice of the first stage of said process" and that Acme and Thomas are engaged "in producing and selling *to its licensees authorized to practice said second stage of said process* the product of said first stage which is known as 'slat stock' " (R. II: p. 641). And these recitations are followed by a license to practice the

second stage "with the use of slat stock produced by the practice of the first stage of said process" (R. II: p. 641). Who could this producer of the *unpatented* material be but Acme or Thomas, since Acme has a claim in Wilson '434 on its first stage method, and method and apparatus claims on the first stage in Hunter? And to make certain it would not be anyone but Acme or Thomas, Acme included in the new licenses the coercive clauses providing for (a) Acme's unqualified right to cancel, (b) a sweeping acknowledgment of validity covering patents and parts of patents not licensed, (c) a covenant not to contest validity of any of the recited patents, and (d) reports to the licensor of any infringement by others.

Can it possibly be said that the second stage licensees, under this set-up, are free to purchase unpatented slat stock where they will? Obviously not. If a licensee wanted to buy from someone other than Acme or Thomas, it would have to be from an infringer. But that source might be cut off at any time. The licensee would have to tell Acme of the infringement and Acme could put a stop to that and the licensee would have to look elsewhere. Naturally he would not look to another infringer but would be forced to buy from Acme or Thomas in order to continue under his license.

If the licensee were to buy from someone making the unpatented slat stock by some process other than Acme's first stage, he would be operating outside the license and would be open to suit by Acme for infringement. And if he were brave enough to do this, he would be estopped to contest validity of the patents by reason of the sweeping acknowledgment of validity in the agreement. Also, he would be courting the possibility that Acme, either before or after licking him in the infringement suit, would summarily cancel his license.

The coercive effect of the restrictions in the licenses cannot be ignored for they are still there.

There is nothing in this record to show that Acme's monopolistic intent, held by the Court of Appeals to have been established as to its original licenses and their 1948 modifications, has in any way changed. The most that can be said is that Acme's intent is not so blatantly manifested.

The situation here is somewhat comparable to that in *International Salt Co.* v. *U. S.*, 332 U. S. 392, which led the Court to observe (p. 400):

> "The fact is established that the appellant already has wedged itself into this salt market by methods forbidden by law. * * * And advantages already in hand may be held by methods more subtle and informed, and more difficult to prove, than those which, in the first place, win a market."

While there has been a formal and perfunctory cancellation of offending licenses, Acme, by the very act which cancelled the bad licenses, offered to its licensees new ones which preserved the substance of the old relationship and effectively maintained a compulsion on the second stage licensees to buy slat stock from Acme or from Thomas.

The holding of the Court below is also in direct conflict with the following decisions by the Courts of Appeals in the Third and Ninth Circuits:

National Lockwasher Co. v. *George K. Garrett Co.* (C. C. A. 3d Cir.), 137 F. 2d 255, c. d., 305 U. S. 649;

Park-In Theatres v. *Paramount-Richards* (D. C. Del.), 81 F. Supp. 466, 90 F. Supp. 730, aff'd (C. C. A. 3d Cir.), 185 F. 2d 407, c. d., June 4, 1951 and not yet reported;

McCullough v. *Kammerer Corporation* (C. C. A. 9th Cir.), 166 F. 2d 759, c. d., 335 U. S. 813.

The limitation in the second stage licenses requiring the licensees to use *only* slat stock made by Acme's first stage method and apparatus constitutes a covenant that the licensee will not traffic in slat stock except that made under the Wilson '434 and Hunter patents, although there are other ways of making it (R. I: pp. 153-154). Thus Acme is using its patent monopoly to suppress the manufacture of possible competing goods not covered by its patents—a practice condemned and held to constitute misuse in each of the above cited cases. In the *McCullough* case the Court aptly stated (166 F. 2d 761):

> "• • • there is no difference in principle between extending the monopoly of the patent by suppressing the manufacture or use of competitive devices, patented or unpatented, and the extension of the monopoly by prohibiting the use in making the patented article of unpatented articles competing with those made by the licensor's subsidiary, held against the public interest in Morton Salt Co. v. Suppiger Co., 314 U. S. 488, 493, 62 S. Ct. 402, 86 L. Ed. 363."

This conflict between Courts of Appeals should be resolved by this Court.

2. Acme Has Not Purged Its Misuse.

No case has directly presented to this Court the question of the acts which must be performed by a party which has misused a patent in order to re-entitle that party to enforce its patent.

However, in *B. B. Chemical Co.* v. *Ellis,* 314 U. S. 495 and *Morton Salt Co.* v. *Suppiger,* 314 U. S. 488, this Court did set forth certain minimum conditions which must be met to make a purge effective.

In the *B. B. Chemical* case this Court said (314 U. S. 498):

> "It will be appropriate to consider petitioner's right to relief when it is able to show that it has *fully*

abandoned its present method of restraining competition in the sale of unpatented articles and that the *consequences of that practice have been fully dissipated.*"

In the companion decision in the *Morton Salt* case, this Court said (314 U. S. 493):

> "Undoubtedly 'equity does not demand that its suitors shall have led blameless lives.' *Loughran* v. *Loughran,* 292 U. S. 216, 229; cf. *Keystone Driller Co.* v. *Excavator Co.,* 290 U. S. 240, 241-45, but additional considerations must be taken into account where maintenance of the suit concerns the public interest as well as the private interest of suitors. Where the patent is used as a means of restraining competition with the patentee's sale of an unpatented product, the successful prosecution of an infringement suit even against one who is not a competitor in such sale is a powerful aid to the maintenance of the attempted monopoly of the unpatented article, and is thus a contributing factor in thwarting the public policy underlying the grant of the patent. Maintenance and enlargement of the attempted monopoly of the unpatented article are dependent to some extent upon persuading the public of the validity of the patent, which the infringement suit is intended to establish. Equity may rightly withhold its assistance from such a use of the patent by declining to entertain a suit for infringement, and should do so at least until it is made to appear that the improper practice has been abandoned and that the consequences of the misuse of the patent have been dissipated."

And, as the statement of this Court in the *B. B. Chemical* case clearly shows, the burden of showing this is on Acme. See also, the *International Salt* case, 332

U. S. 400. Here, Acme has not shown it has "fully abandoned its * * * method of restraining competition in the sale of unpatented" slat stock and it has not shown "that the consequences of that practice have been fully dissipated."

3. The Holding That Wilson '678 is Valid Ignores the Claims in Measuring the Invention.

This Court has repeatedly said that it is the claims of a patent which define the invention and that each claim must stand on its own feet as though it were a separate and distinct patent. In *Altoona Theatres* v. *Tri-Ergon Corp.*, 294 U. S. 477, this Court said (p. 487):

> "The Court of Appeals, in upholding the patent, made no examination of its separate claims, * * *. Under the statute it is the claims of the patent which define the invention. * * * And each claim must stand or fall, as itself sufficiently defining invention, independently of the others."

The Court below gave no consideration to the claims of Wilson '678 but considered it as a whole and as though each claim were addressed to the addition of a third stage to the two stage process of Wilson '434 (R. IV: p. 954). The fact is that Claims 7 and 8 are totally unrelated to the two stage process of Wilson '434 since they are addressed *per se* to the step of temporarily flexing the strip to a flat cross-section. Claims 13 to 17, inclusive, and 19, are likewise unrelated to the two stage process of Wilson '434 as they claim an alleged combination of the transverse forming of the strip with the stage of flexing to a flat cross-section. The remaining claims, however, do encompass the two steps of Wilson '434 and the flexing of the strip. While invention may be found in the combination of these claims there is no attribute of invention in the very much broader claims that assume to cover *any* bending of a metal strip.

The Court of Appeals held that "there is certainly nothing anticipatory" of Wilson '678 in the prior art Morse patent, No. 2,315,640. This is contrary to and irreconcilable with the fact that Claims 7 and 8 of Wilson '678 are so broad they clearly would be infringed by Morse.

The entire method of Claim 7 is defined as—

> "running the strip longitudinally and bending the strip endwise and progressively and temporarily producing a flat cross section" (R. III: p. 670).

Claim 8 is exactly equivalent.

And so is Morse, who taught that—

> "The material in the roll 14 has lateral pre-formed curvature, but because of winding the material in the coil 14, the curvature is flattened out temporarily" (R. III: p. 655: c. 1, II. 35-38), and

> "The rolling of the material in a coil flattens out the curvature of the material, as suggested at 16. Then when the material is uncoiled, as shown at 15, the pre-formed curvature returns as shown at 7, due to the resilience of the material" (R. III: p. 655: c. 2, II. 31-36).

The error of the Court below becomes perfectly apparent from its statement of the alleged invention of Wilson '678. The Court stated (R. IV: p. 954):

> "Under this third stage, the transversely curved strip material, after passing through the forming rolls of the second stage, is flexed in a direction transverse to its line of travel, whereby it becomes buckled or progressively flattened by the removal from its successive portions of a large part of the transverse curvature that had been imparted by the forming rolls. After passing through the flattening operation,

the transverse curvature returns, but to a lesser degree, to the strip, due to its resiliency."

This is identical with the teaching of Morse.

The only thing which by any stretch of the imagination was new with Wilson was his observation that this old bending operation tended to make uniform the cross-sectional shape of the strip. But the observation of a result has never been held to constitute invention. And the result, whether observed or not, had then been achieved by Morse. The uncontradicted testimony of Wilson on cross-examination is to this effect (R. I: pp. 156-158).

Conclusion

For the reasons stated, we submit that the petition should be granted and the points discussed above considered and ruled upon by this Court.

Respectfully submitted,

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New York, N. Y.,
June 26, 1951.